

# Guide to Doing Business in Belize

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## **I. THE COUNTRY AT A GLANCE**

### **A. What languages are spoken?**

Belizeans speak a variety of languages. The official (business) language is English. However, Spanish is also widely spoken. Creole is the cultural language of the country and is spoken nationwide. There are also a number of indigenous languages such as the Garifuna and three variations of the Mayan language.

### **B. What is the exchange rate for the U.S. dollar, the Euro?**

1 U.S. dollar – 2.00 BZ dollars

1 Euro dollar - 1.6965 BZ dollars

### **C. Describe your country=s geography, proximity to other countries and climate.**

Belize is located on the Caribbean seaboard of Central America, bounded on the North by Mexico and on the West and South by Guatemala. The land area is about 22,923 kilometers square. It is a mere 2-hours flight from Miami, Houston, Dallas, New Orleans and Los Angeles. Belize enjoys a sub-tropical climate, i.e. experiences rainy and dry seasons.

### **D. Are there cultural influences or prohibitions on the way business is conducted.**

It cannot be said that there exist any cultural prohibitions which affect the conduct of business. With regard to influences, previously the cultural or ethnic background influenced a person's field of work or profession in that some ethnic groups were more inclined to certain sectors of work. Today, however, ethnic lines have grown thin and this is no longer the case.

### **E. Are there religious influences or prohibitions on the way business is conducted?**

Though religion plays a major role in people's personal lives, its impact on the business sector cannot be said to be a significant one. For instance, gambling is adamantly condemned by the church but this has not prevented the establishment of casinos and game rooms in the various districts.

### **F. Explain your country's infrastructure. Be sure to explain which cities have airports, railroad systems, ports, public transportation.**

Belize City recently underwent vast development through an infrastructure project. Most of the major highways are paved. Majority of the roads in the two cities and 7 towns are paved. However many of the roads in the rural areas remain unpaved. There is one international airport located 8 mls WNW of Belize City and there are smaller airstrips in the various district to facilitate domestic air travel. The three main ports in the country are situated at Belize City, Big Creek and Dangriga. There is one main bus company which provides transportation throughout the six districts and minor bus service providers in the various localities. There is also a marine terminal in Belize City which provides water taxis to the cayes.

### **G. Explain the communication system**

Telecommunications is provided by a monopoly company – Belize Telecommunications Ltd. All automatic

systems: Direct dialing with major countries in the world. Telexes, faxes, cellular, email and internet is also readily available.

**H. Describe the public services – water, electricity, gas. Are they publicly or privately owned?**

Both the Belize Water & Sewerage Authority and Belize Electricity Ltd. have predominantly private shareholders and gov't owns few shares. Esso is the one gas importer but there are a number of retailers – Texaco, Shell.

**II. GENERAL CONSIDERATIONS**

**A. Investment policies**

**1. Does the country generally welcome investment? Are there governmental or private agencies devoted to the promotion of investment?**

The country generally welcomes investment. Investment is monitored and facilitated through the Ministry of Investment & Trade as well as Beltraide – a statutory body whose main object is attracting and facilitating new investment.

**2. What is the rate of inflation?**

Inflation is calculated 4 times per year (every three months) on all items. In Feb 2003 – rate was 3.5 and in May 2003 – 2.2

**3. Explain any sector exceptions, incentives or restrictions on foreign investment?**

There are no restrictions on investment as long as activities remain within the bounds of the law.

Incentives: EPZ – Export Processing Zones Program  
Fiscal Incentives Program  
Commercial Free Zones  
Repatriation of Profits and Dividends

**4. Describe de facto restrictions on investments, if any, such as bureaucratic discretion.**

None

**5. What are the sizes of the different markets? The population size approximately 250,000 persons.**

**6. What types of businesses are conducted in the country?**

A wide range of business such as: legal practice, engineering, medical practice, agricultural production, meat processing, educational, banking, fisheries, mercantilism, peddling, handicraft, data processing, services, hoteliering, restaurateuring, and many others.

## **B. Diplomatic Relations**

### **1. Explain any established diplomatic relations your country may have.**

Belize is a member to the United Nations (UN), the British Commonwealth, the Non-aligned Movement, the International Monetary Fund (IMF), the Organization of American States (OAS), the World Bank, Caribbean Development Bank, Inter-American Development Bank.

### **2. Give addresses, telephone numbers for the embassies or consulates in your country?**

- British High Commission – Embassy Square, Belmopan City, Tel – 501-822-0811
- Consulate of the Netherlands – 14 Central American Blvd./Banak St. Belize City, Tel – 501-227-5663
- Embassy of Costa Rica – 49 Hummingbird Hwy, Belmopan City, Tel – 501-822-3801
- Embassy of Venezuela – 19 Orchid Garden, Belmopan City, Tel – 501-822-2789
- Mexican Embassy – 18 North Park St., Belize City, Tel – 501-223-0193
- United States of America Embassy – 29 Gabourel Lane, Belize City, Tel – 501-227-7161

### **3. Are there prohibitions or restrictions on certain business dealings with the country?**

No, but there are licenses and permits that are required to conduct certain types of businesses and there permits are subject to yearly fees.

### **4. Explain travel restrictions to or within the country?**

A valid passport is required of all visitors. Citizens of the UK, EU, US, Mexico, CARICOM, Costa Rica and some Commonwealth countries are not required to have visas to enter Belize, but must have a return ticket. Citizens of other countries require visas which can be obtained from a Belize Consulate or Embassy in their respective countries or if there is none, from the nearest British Embassy. Visa fees are US\$25.00

## **C. Government**

### **1. Explain your country's election system and schedule. Is there an anticipated change in the present government?**

Belize has a democratically elected gov't. Elections are held at intervals of not more than 5 yrs. and there are 2 major competing political parties. Elections are based on a first-past-the post system. The voting age is 18 yrs. It is uncertain whether there will be a changed of gov't in the next elections since this is 4 ½ years away; it is too soon to call.

### **2. Is the present government stable? Briefly explain your country's political history in the last decade?**

The most recent elections took place in March 2003 in which the People's United Party (PUP) won 22 seats and the United Democratic Party (UDP) won 7 seats in the House of Representatives. Prior to this, elections were held in August 1998 wherein the PUP won 26 seats and the UDP won the remaining 3 seats.

The PUP appears to have a stronghold over the country and the fact that they have been voted back into

gov't for a second consecutive term implies that Belizeans consider them to be the better of the two parties. Elections take place under generally peaceful conditions.

### **3. Explain your country's judicial system. Answer the following Qs.**

- Is the judicial system generally perceived to be impartial? Yes
- Must disputes be resolved in the country? Generally, Yes
- Is there a political method of resolving disputes? For International disputes there is system of negotiation.
- Are alternative methods of resolving disputes? Yes, arbitration exists and the introduction of mediation is being contemplated currently.
- How long does it take to resolve disputes? Time span varies; about 1-5 years depending on its nature.
- Can foreign judicial decisions be enforced in the country? Only UK decisions or decisions from countries with whom Belize has a Reciprocal Enforcement Agreement.
- Are there separate tribunals depending upon the subject matter of the case? We have only one legal system that is based on the English Common Law. Our courts deal with both criminal and civil matters and the court is of the same make up for both types of matters. Family matters are dealt with separately by the Family Court.
- Are there different legal systems within the country or its political subdivision? No
- Can the investor choose to be subject to the country's jurisdiction or not? Jurisdiction over a person is usually based on presence. Therefore, mere presence in the jurisdiction would make the person subject thereto. An investor may set up a company which may chose its governing law. Also, an investor can transact via contracts which have jurisdiction clauses if he/she wishes to subject to a specific jurisdiction.

#### **4. Explain your country's legislative system.**

Legislative authority is vested in the National Assembly which is comprised of a democratically elected House of Representatives and a nominated Senate.

## **D. Environmental Considerations**

### **1. What is the public / government attitude toward environmental regulation?**

Environmental awareness is becoming more prevalent amongst the Belizean public and gov't. However, the gov't still seems to be more pro-development whilst the general public is resistant to any dev't that will have adverse effects on the environment. Despite the differing priorities, both gov't and citizens are trying to work towards sustainable development.

### **2. Explain any environmental regulations.**

The Environmental Protection Act – establishes the Department of the Environment and Provides for the preparation of other regulations: (1) Effluent Limitation Regulation; (2) Environmental Impact Assessment Regulation; (3) Pollution Regulation; (4) Solid Waste Management Authority Act; (5) Summary Jurisdiction Act – Littering- Litter Offence & Violation Tickets.

### III. INVESTMENT INCENTIVES

A. Explain any export incentives or guarantees. Answer the following questions.

- Are there tax incentives for exports? Yes
- If so, are they limited to certain types of products? No, but 60% of the product must originate in Belize.
- Is export financing available from government or private sources? Yes, available from gov't
- If so, what forms of financing or guarantees are available? EPZs
- Is there any governmental insurance for exports? No
- Must a national be a participant in the enterprise in order for the investor to benefit from these incentives? No

B. **Explain any grants, subsidies or funds your country offers foreign investors. Answer the following Qs.**

- Are grants and subsidies restricted by the type of activity? There aren't any grants and subsidies because Foreign Investment means that finance is brought into the country by the investor. Gov't assistance is usually via tax breaks or tax holidays.

C. **Explain any national tax incentives for foreign investors. Answer the following Qs.**

- Are the incentives restricted by the type of activity? The main incentives for foreign investors are via: EPZs – Export Processing Zones, Fiscal Incentives Program and Commercial Free Zones. Export Processing Zones benefits, as the name suggests, is limited to products for export purposes. The type of activity the investor engages in affects the incentives available since gov't grants incentives mainly to ventures related to tourism, agriculture, and the manufacture of products. Commercial Free Zones pay 2% tax on gross profits and this is only available for non-residents.

D. **Explain any regional tax incentives open to foreign investors. Answer the following Qs.**

- Are there tax incentives for the investor that exist only in certain regions of the country? Yes, to avail oneself of the CFZ benefits, business must be set up in one such zone.
- Does the investor need to receive approval to be eligible for these incentives? Yes
- Are the incentives restricted by the type of activity? Yes
- What does the process of application involve? To qualify for Fiscal Incentives, the Co. must be incorporated under the laws of Belize and its activities must be beneficial to the economy and public interest. To apply, a project proposal must be submitted in triplicate to the Belize Trade and Investment Dev't Service (BELTRAIDE) along with the following supporting documents: (1) Copy of the Co's Articles of Association; (2) Copy of Memorandum of Association; (3) Copy of Certificate of Incorporation; (4) Banker's reference; (5) Land Title; (6) Proforma Profitability Statement; (7) List of items requested for duty exemption.

#### **IV FINANCIAL FACILITIES**

- What kind of financial institutions exist? There are 5 commercial banks: The Belize Bank Ltd.; Barclays Bank PLC; The Bank of Nova Scotia, Atlantic Bank Ltd; and the Alliance Bank. There is also a Gov't savings bank. Offshore banking is also carried on.
- Must an investor maintain a bank account in the country? No
- What are the requirements for opening a bank account? Letter of reference from a bank in the investor's home country, a valid form of identification and at least \$200.00
- What are the restrictions, if any on the investor's use of the account? There are no restrictions per se but the bank reserves the right to reject any transactions that do not appear legitimate on the face.
- What is the type of financial system in the country? Free market financial system.
- How is the banking system structured? There is a Central Bank which deals with monetary policy and Domestic and International unit banks and branches.
- Is there a stock market? No
- Can the investor receive bank loans? Yes, subject to Central Bank Approval.

#### **V. EXCHANGE CONTROLS**

##### **1. Business Transactions with Nationals, Residents or Non-Residents**

- How are nationals, residents and non-residents defined? Nationals, referred to under law as Citizens are persons born in Belize, or person naturalized or registered under the relevant Act. A resident is a person who has been residing in Belize in excess of 6 months.
- Are there restrictions on conducting business with nationals, residents and non-residents? No
- Are there reporting requirements? Yes, if the bank so requests, all moneys coming into the account must be accounted for. This information remains with the bank alone.
- Can the investor receive loans from nationals, residents or non-residents? Yes

##### **2. Investment controls**

- Are there restrictions on direct investment in the country? No, except that you must bring the finance.
- Are there restrictions on indirect investment in the country? Must the investor make declarations regarding the nature of his business? Yes

##### **3. Money Transfer**

- If there free determination of exchange rates? The exchange rate is fixed at BZ\$2-US\$1
- Are there restrictions on the transfer of money into and out of the country? No
- Are there restrictions on the remittance of profits abroad? No
- Are there reporting requirements? Yes
- Can hard currency be taken out of the country? Yes, up to a certain amount permitted under the

Money Laundering Act.

## **VI. IMPORT / EXPORT REGULATIONS**

### **1. Customs Regulations**

- Is the country a member of GATT? Belize is a member of WTO
- Is the country a member of the EEC? No
- Is the country a party to a regional trade agreement? Belize is party to NAFTA and CARIFTA. Belize has preferential market access to the Caribbean Community under CARICOM, preferential treatment from the US under the Caribbean Basin Initiative, and Belizean goods enter duty free in Canada under CARIBCAN.
- Does the customs department value the goods? Yes, they value all imports and levy a duty that is flexible and 8% sales tax that is fixed.
- How are the goods cleared through customs? If goods are shipped via a vessel, the person must get relevant documents from the shipping Company or if goods are sent by air, the person must have airway bill and take this to the Customs Department. If the value of the goods exceed BZ\$200.00, then the person must pay a broker to clear them, otherwise the person may clear them himself. Once documents are taken to the Dep't, the goods are valued by a customs officer who in turn levies charges if they are taxable. After the person pays the cashier the duties he/she can take possession of the goods.
- Are there applicable tariffs? \_\_\_\_\_

### **2. Exports**

- Are there restrictions on exports? Yes, for instance, on some agricultural products like herbs and on fishery licenses are required.
- Are export licenses required? Yes, export licenses are required for certain goods such as lumber, beans, rice, sugar, live animals (including pets), citrus, fishery excluding aquaculture species etc.
- Are there applicable export duties? Yes, in relation to certain products.

### **3. Foreign Trade Regulations**

- Are there foreign trade regulations on the import or export of goods involved in the business?  
Yes

### **4. Imports**

- Are import licenses required? Yes, import licenses are required prior to importation of the following products such as beans, bleaching agents, eggs, flour, fruit & vegetables, furniture of wood, cane, osier, bamboo, rattan or similar material, fuel, poultry, wearing apparel for commercial purposes, gases, soaps, matches, dry pasta products, toilet tissue, outboard motorboats of fiberglass, peanuts...
- Are there applicable import duties? Yes

- Are there applicable import quotas? No
- Are there applicable import barriers? Yes

## **5. Manufacturing Requirements?**

- Must the product contain ingredients or components which are found or produced only in the country? No, but for the product to be exempted from tax under CARICOM agreements a greater percentage of the raw materials must originate within the country.
- Will the importation of certain component parts be permitted only if they are to be ultimately incorporated into a final product? No

## **6. Product Labeling**

- Are there applicable labeling or packaging requirements. Yes, but labeling requirements vary depending on the type of product. These basically involve ingredients, expiry date, safety warnings.

# **VII STRUCTURES FOR DOING BUSINESS**

## **1. Government Participation**

- Will the government seek to participate in the ownership or operation of the entity (e.g. depending on the type of activity involved)? As long as the business operates within the bounds of the law and does not conduct business which impacts Belizean society negatively, the Gov't will have no ground for interference. If Gov't intervention is necessary, this will only be done to the extent warranted by the activities of the business.
- What is the investor's potential liability to partners, investors or others? Unlimited liability
- Are there restrictions on capitalization? No
- What are the investor's tax consequences? No

## **2. Joint Ventures**

- Are joint ventures permitted? Yes.  
What is the registration procedure? No need for registration; they can be created by contract.
- How long do these procedures take? N.A.
- What costs and fees are involved? N.A.
- Must a national of the country be a participant, manager or director? No
- What is the investor's potential liability? There is unlimited personal liability on any of the business owners.
- Are there restrictions on capitalization? No
- What are the investor's tax consequences? Taxes are on income and sales tax (8%) is charged on goods and services.

## **3. Limited Liability Companies**

- Are limited liability companies permitted? No
- If so, how are they registered or incorporated? N.A.
- How long do these procedures take? N.A.

- What costs and fees are involved? N.A.
- Must a national of the country or a related state be a participant, manager or director? N.A.
- Are there restrictions on capitalization? N.A.
- What are the investor's tax consequences? N.A.

#### **4. Liability Companies, Unlimited**

- What are the forms of liability companies? Public and Private Companies
- How are these companies registered or incorporated? It is registered by the Registrar General who issues a certificate of incorporation after procedure has been compiled. It can be done in a week time.
- How long do these procedures take? 5 days
- What costs and fees are involved? Cost is U.S. \$800.00
- Must a national of the country be a participant, manager or director? No

#### **5. Partnerships, General or Limited**

- Are partnerships recognized or permitted? Yes
- Must a national of the country or related state be a partner? No
- If so, to what extent? N.A.
- What costs and fees are involved? U.S. \$50.00- \$300.00
- What is the investor's potential liability? He is personally liable for all acts done in the name of the partnership.
- What are the investor's tax consequences? Personal income tax and business tax are the major taxes.

#### **6. Partnerships, Undisclosed**

- Do undisclosed Partnerships exist? There are no provisions for undisclosed partnership in our laws.

#### **7. Sole Proprietorships**

- Can the investor be a sole proprietor? A foreigner can enter into a sole ownership business
- How is the sole proprietorship registered or established? No need for registration but if his business name does not carry his last name he must register it under the Business Name Act CAP.204 of the laws of Belize.
- How long does this process take? The process of registration takes one week.
- What costs and fees are involved? The cost is U.S. \$100.00-\$250.00 via a legal representative.
- What is the investor's potential liability? He is personally liable for all debts incurred by the business.
- Are there restrictions on Capitalization? An investor can invest any amount under U.S. 10,000.00 without Central Bank Approval
- What are the investor's tax consequences? Taxes are on income and sales tax (8%) is charged on goods and services.

## **8. Subsidiaries/Branches/Representative Offices**

- Can the investor establish a branch, subsidiary or representative office? Yes, foreign Companies can have a place of Business in Belize with a registered agent.
- If so, how long does registration or incorporation take? The process takes about two weeks. An attorney or an accountant is normally used.
- What costs and fees are involved? The fees range form U.S. \$1,000.00 to U.S.\$ 2,500.00
- What is the investor's potential liability? \_\_\_\_\_
- Must a national of the country be a participant, manager or director? There is no requirement for a Belizean to be a part of the company.
- Are there restrictions on capitalization? No
- What are the investor's tax consequences?
- Are these tax consequences different than those of a local company? No

## **9. Trusts and Other Fiduciary Entities**

- Are trusts or other Fiduciary entities recognized? Yes
- If so, how are each defined? These are governed by a contractual trust instrument
- What are the legal consequences of a transfer of assets to a trust or fiduciary? Transfer tax 5% - 10% on value of assets. The legal title would be vested in the trust or fiduciary who would hold the assets on trust for the beneficiary.
- Can the investor be the grantor, trustee or beneficiary? Yes

# **VIII. REQUIREMENTS FOR THE ESTABLISHMENT OF A BUSINESS**

## **1. Alien Business Law**

- Is the business subject to any alien business law? No
- Are there registrations or reporting requirements? Yes, domestic and IBC need to be registered; other businesses require Trade license or practicing certificate

## **2. Antitrust laws**

- Do the entity's operations comply with anti-trust laws? No (but there is a bill in process which has anti trust provisions.
- Are there filing requirements? No

## **3. Environmental Regulations**

- Is the Business of the investor subject to environmental regulation? If so, are there added costs involved (e.g. audit requirements)? Yes, the Tourism Board, Audubon Society and the Ministry of Natural Resources and environment and other NGO's have environmental law and policies that must be followed.

## **4. Government Approvals**

- Are government approvals required for the anticipated Business? No
- If so, how long does this process take? N.A.

- What fees are involved? N.A.

## **5. Insurance**

- Must the enterprise carry insurance? No obligatory, but it is highly recommended. If the business is one of carriage, insurance is required.
- If so, what kind of risks must be insured? N.A.
- Is there a state monopoly on insurance? No, we have about six private insurance providers.

## **6. Licenses/Permits**

- Are licenses or permits required for the anticipated activity? A trade license is required.
- If so, how does the investor apply for and receive the necessary license or permit. By application to the local authority.
- How long does it take to receive the license or permit? Trade license takes about 1-2 days

# **IX. OPERATION OF THE BUSINESS**

## **1. Advertising**

- Are there restrictions on advertising? No, but there are general principles of good faith that are applicable.

## **2. Attorneys**

- Is it necessary to have local counsel? NO, but it is highly recommended.
- How can local counsel be found? Telephone directory yellow pages, Internet.
- How much are attorney's fees? U.S.\$50.00- U.S. \$200.00 per hour.

## **3. Bookkeeping Requirements**

- Must the investors keep local books of Accounts? Yes, for income and business tax purposes
- In what form must the investor keep accounts (e.g. GAPP, in what language, etc.)? Yes, and these are kept in English

## **4. Business Ethics/Codes**

- Are there certain business ethics or codes which the investor must follow (e.g. GAAP for accountants, etc.)? These apply only in terms of professional organizations, but must observe laws of country.

## **5. Consumer Protection Laws**

- Are there consumer protection laws, which apply to the investor's operations? Belize has laws such as the Standards Act, Sale of Goods Act, Hire Purchase Act, Weights & Measures Act, and Supplies Control Act which deal with consumer protection regulation.

## **6. Construction**

- What are the costs of construction? U.S. \$50.00-U.S.\$100.00 per ft.

- Are permits required for construction? Only if it involves construction in urban areas
- How is authorization to construct obtained? By application to the Housing and Planning Department.
- How long does it take to receive authorization? 1 – 4 week
- What fees are involved? Fees vary depending on the size of the building and its nature i.e. whether it is for commercial or residential purposes.

## **7. Contracts**

- Can the investor freely enter into local contracts? Yes
- Can the contracts be governed by the law of another country govern the contracts? Yes

## **8. Price Controls**

- Are there applicable price controls? Generally there are no price controls, however there is a Supplies Control Act but this only applies to limited products such as fuel.

## **9. Product Registration**

- Must the entity register its product? Registration is not necessary but one may register trade marks and patents.
- If so, how is registration obtained? Registration of patents and trade marks is done by application to the Belize Intellectual Property Office
- How long does the process take? 3 weeks
- Are there fees involved? U.S.\$300.00 –U.S.\$700.00

## **10. Reduction or Return on Capital**

- Can capital be repatriated while the corporation is still ongoing? Yes

## **11. Sale of Goods**

- Are there restrictions on the manner, time or place of sale of goods? No except for liquor which is regulated by the Sale of Goods Act.

## **12. Trade Associations**

- Are there trade associations the investor can or must join? There is no obligation to join trade associations. However, the investor can join the Chamber of Commerce which normally keeps check on the business activities of its members and acts as an advocated for better treatment.
- If so, are there fees involved? Nominal fees
- Are there mandatory trade practices? No

## **X. CESSATION OR TERMINATION OF BUSINESS**

### **1. Termination**

- What are the tax consequences of terminating the business? All taxes and rates owing should be paid up.
- What costs are involved in termination? Company winding up either through court order or

- voluntarily can cost a lot depending on inventory size; minimum of \$500.00
- How long does it take to terminate the business? 3-6 months
- How is the investor's particular form of business treated in termination? Company liquidation or winding up
- Can the business be terminated without government approval or termination? Yes
- What are the tax consequences of termination? No tax consequence but accrued and outstanding taxes are payable on priority to the claims of creditors.

## 2. **Insolvency/ Bankruptcy**

- What is the extent of the Investor's Liability in the event of insolvency or bankruptcy? Creditors, employees and taxes must be paid up.
- What choices, if any, are available to the investor with regard to the restructuring of the business? We do not have restructuring provisions.

# XI. **LABOR LEGISLATION, RELATION, AND SUPPLY**

## 1. **Employer/Employee Relations**

- What laws govern employer/Employee relations? Labor Act - CH. 297 of the Laws of Belize
- Are there obligations to train employees? No obligation by law but to ensure productivity the employer usually does so.

## 2. **Employment Regulations**

- Must the investor hire Nationals of the country? He is expected to do so as long as the human resources are available; if they are not, then he can bring in foreign employees.
- Is there a minimum wage? Manual labour \$2.25; Agriculture \$2.00; Stores \$1.75; Stores selling alcohol \$2.25
- Is there a maximum number of hours an employee can work each week? Max 45 hours weekly.
- Is there a minimum number of vacation and sick days to be given? Vacation – 2 weeks; sick days with pay-16 days.

## 3. **Hiring and Firing Requirements**

- Must the investor employ a minimum number of people? No, it depends on the type of Business to be carried on.
- Must the investor employ a minimum number of Nationals? No, (same as above)
- Must certain positions in the company be held by Nationals? No, however ethically foreigners shouldn't be employed once nationals are qualified to hold those positions.
- Are there rules to follow in hiring /dismissing personnel (e.g. Notice)? Yes, these are set out accordingly in the Labor Acts.
- Does the investor have a continuing obligation towards dismissed employees? Not after vacation pay has been paid.

#### **4. Labor Availability**

- Is adequate skilled or unskilled labor available for the anticipated business? There is a large pool of unskilled labor and the adequacy of skilled labor depends on the type of business.

#### **5. Labor Permits**

- Are labor permits required? Yes
- If so, how are they obtained? On application to the Labor department.
- How long does the process take? 3-4 weeks.
- What fees are involved? Labourer-\$200.00 (see final page).

#### **6. Safety Standards**

- Are there safety codes, which must be followed? Yes, there are safety and health standards that need to be complied with.

#### **7. Unions**

- Are Unions recognized? Yes
- What are the unions in the investor's business? Trade Unions and Employer's Organizations
- What are these unions' political affiliations, if any? None.
- Is there an obligation on the part of the employer to organize unions? No.
- Are there mandatory collective bargaining agreements for the business involved? No.

## **XII. TAX ON CORPORATIONS**

### **1. Allowances**

- What are the major allowances (e.g. capital cost depreciation)? Business tax on gross income now applies.
- What are the major deductible items? None.
- What are the major expenses that are excluded from deductibility? None

### **2. Calculation of Taxes**

- How is the taxable base determined? Business tax 1-25% of the Gross income.

### **3. Capital Gains**

- What are the federal or national tax rates on capital gain? None
- What are the regional or state taxes on capital gains? None
- What are the municipal or local taxes on capital gains? None

### **4. Filing and Payment Requirements**

- When must the corporation file its tax returns? Monthly
- When must the corporation pay its taxes? Monthly
- Are taxes paid in installments or annually? Monthly

**5. Miscellaneous Taxes Due**

- Is there a tax on capital? No
- Is there a Business License Tax? Yes
- Is there an Apprenticeship tax? No
- Is there a training tax? No
- Are there other taxes? Yes, Property Tax
- What are the filing and payment requirements? Payments are annually.

**6. Registration Duties**

- Are there registration duties due upon the incorporation of a company? Yes
- Are there registration duties due upon an increase in capital? Yes
- Are there registration duties due upon the transfer of the Company's shares? Yes
- Are there registration duties due upon a transfer of corporate assets? Yes
- Are there any other registration duties due? Yes.

**7. Sales Tax or other Turnover Tax**

- What is the system of Sales Tax (e.g. V.A.T., cumulative) No
- Is input tax credible against input tax? N.A.
- What are the tax Rates? 8% Sales Tax
- What are the filing and payment requirements? Monthly

**8. Social Security and Welfare System Contributions**

- Are social security contributions due? Yes
- Are retirements or pension contributions due? Yes
- Are unemployment insurance contributions due? No, but should be paid between jobs.
- What are the filing and payment requirements for any such contribution? Monthly.

**9. Special Tax Schemes**

- Are there particular tax consequences of doing business in the country? Business tax must be paid.

**10. Tax on Profits**

- What are the federal or national income tax rates on profits?
- What are the regional or state tax rates on profits?
- What are the municipal or local tax rates on profits?

**11. Tax Treaties**

- Are there any applicable tax treaties? Yes, UK/Belize, Belize / CARICOM
- Are there any rules against treaty shopping? No

**12. Territoriality Rules**

- Where is the corporation subject to tax? Only subject to taxation in Belize if income arises in Belize.
- Is the corporation subject to tax on its worldwide income? No, only on income arising in Belize.

### **13. Treatment of Tax Losses**

- How are corporate tax losses treated? These are carried forward.

### **14. Wealth Tax**

- Is there an applicable wealth tax? No.

### **15. Withholding Taxes**

- What are the rates of withholding tax on dividends? 15% ( but if payable to a non-resident there is a charge of 25% withholding tax.
- What are the rates of withholding tax on royalties? None, What are the rates of withholding tax on interest? None, (but if payable to a non-resident there is a charge of 25% withholding tax.
- What are the rates of withholding tax on profits by a foreign corporation? None, corporation pays tax in Belize in the normal course of business.

## **XIII TAX ON INDIVIDUALS**

### **1. Allowances**

- What are the major allowances? 19,600 and charity (up to 1/6 of chargeable income)

### **2. Calculation of Taxes**

- How is the taxable base determined? The tax is not on profits anymore.

### **3. Capital Gains Tax**

- Are capital gains taxable? No

### **4. Filing And Payment Requirements**

- When must the individual file a tax return, if any? Within the first 3 months of the following year.
- When must the individual pay his taxes? PAYE – Pay As You Earn

### **5. Inheritance and Gift Tax**

- Does the individual's presence in the country subject him to inheritance or gift tax? No.
- What kinds of assets are subject to tax? None, only assets as part of a trade. Estate duty abolished in 1991
- What are the tax rates? They vary depending on assets.
- Are allowances available? Yes
- What are the payment and filing requirements? File at the end of the year

### **6. Miscellaneous Taxes Due**

- What are the miscellaneous taxes to which the individual may be subject? Indirect Taxes
- What are the filing and payment requirement? None

- 7. Real Estate/Habitation Tax**
  - Is the individual subject to real estate or habitation tax? 1% on the annual rental value or property.
- 8. Sales Tax**
  - Does the individual pay sales tax? Yes, at point of consumption or sale (8%)
- 9. Social Security and welfare System Contributions**
  - Are contributions to social security due? Yes
  - Are contributions to welfare system due? No
  - If so, what are the payment and filing requirements? \*See attached schedule
- 10. Stock Option, Profit Sharing and Savings Plans**
  - Is there taxation on stock option plans? N.A.
  - Is there taxation of profit sharing plans? N.A.
  - Is there taxation of savings plans? N.A.
- 11. Taxation of Benefits In Kind**
  - What is the rate of taxation in benefits in kind (e.g. automobile, housing and utilities, education etc.)? 25%
- 12. Taxes on Dividends**
  - Are dividends taxable regardless of their form? Yes
- 13. Tax on Income**
  - What are the federal or national tax rates on income for residents? National tax of 25% after basic deduction 19,600.
  - What are the federal or national tax rates on income for non-residents? They are treated no different from residents once their income is taxable.
  - What are the regional or state tax rates on income for residents? N.A.
  - What are the regional or state tax rates on income for non-residents? N.A.
  - What are the municipal or local tax rates on income for residents? N.A.
  - What are the municipal or local tax rates on income for non-residents? N.A.
- 14. Tax Treaties**
  - Are there any applicable tax treaties? Yes, treaties with the US and the UK
  - Are there any rules against treaty shopping? No
- 15. Territoriality Rules**
  - Where is the individual subject tax? Where he is resident
  - Is the individual subject to tax on his worldwide income? No, only income earned in the country.

## **16. Wealth Tax**

- Is the individual subject to tax based upon his wealth? No
- If so, what are the rates? N.A.
- Are there any allowances available? N.A.
- What are the payment and filing requirements? N.A.

## **17. Withholding Tax**

- Is salary subject to a withholding tax at the source? No
- What is the treatment of residents as compared to on-residents? N.A.

## **XIV. TAX ON OTHER LEGAL BODIES**

### **1. Allowance**

- What are the major allowances (e.g. capital cost depreciation)? Yes
- What are the major deductible items? Cost, Salaries, Social Security, Insurance, labor and any other expense incurred in producing the income.
- What are the major expenses that are excluded from deductibility? Expenses unrelated to producing income.

### **2. Calculation of Taxes**

- How is the taxable base determined? Gross income less major deductions = chargeable income.

### **3. Capital Gains**

- What are the federal or national tax rates on capital gains? N.A.
- What are the regional or state taxes on capital gains? N.A.
- What are the municipal or local taxes on capital gains? N.A.

### **4. Filing and Payment Requirements**

- When must the entity file a tax return, if any? At the end of the year
- When must the entity pay its taxes? PAYE
- Are taxes paid in installments or annually? N.A.

### **5. Miscellaneous taxes**

- Are other taxes due? No
- What are the filing and payment requirements? Same as above

### **6. Registration Duties**

- Are there registration duties or fees due upon the setting up of the legal body? Yes
- Are there registration duties or fees due upon a change in the capital of the legal body? Yes, Stamp duty is payable.
- Are there registration duties due upon the transfer of capital? Yes, Stamp duty is payable.
- Are there registration duties due upon a transfer of assets? Yes, Stamp duty is payable.

- Are there any other registration duties due? No

#### **7. Sales Tax or Other Turnover Tax**

- Is the legal body subject to sales tax or any turnover tax (e.g. VAT. cumulative)? Yes, Sales tax of 8%
- Is input tax credible against output tax? N.A.
- What are the tax rates? Sales Tax –8%
- What are the filing and payment requirements? Monthly

#### **8. Social Security and Welfare System Contributions**

- Are social security contributions due? Yes
- Are retirement or pension contributions due? These are optional
- Are unemployment insurance contributions due? No
- What are the filing and payment requirements for any such contribution? N.A.

#### **9. Special Tax Themes**

- Are there particular tax consequences of doing business in the country under the form of the particular legal body? N.A.

#### **10. Tax on Profits**

- What are the federal or national tax rates on profits? N.A.
- What are the regional or state taxes on profits? N.A.
- What are the municipal or local tax rates on profits? N.A.

#### **11. Tax Treaties**

- Are there any applicable tax treaties? Yes, treaties with the US and the UK
- Are there any rules against treaty-shopping? No

#### **12. Territoriality Rules**

- Where is the legal body subject to tax? Where the income is earned.
- Is the legal body subject to tax on its worldwide income? No only on income earned in Belize.

#### **13. Treatment of Tax Losses**

- How are tax losses treated? They can be carried forward.

#### **14. Wealth Tax**

- Is there an applicable wealth tax? No

#### **15. Withholding Tax**

- What are the rates of withholding tax on the legal body's activities? None

### **XV GENERAL TAX CONSIDERATIONS**

### **1. Immigration Controls**

- Are there immigration quotas? No
- Are vaccinations required? No
- Are medical certificates required? No
- Are entry permits required? Yes, if you are not a resident of Mexico, U.S. or Commonwealth countries.
- Are exit permits required? No
- Are re-entry permits required? Yes

### **2. Immigration Requirements/Formalities**

- Is a residence permit required? No
- If so, does the investor have to apply for one before entering the country? No, it can be gotten once in the country.  
What information must be supplied to the immigration authorities? Must present a valid passport and person must have resided in Belize for at least a year. Must provide proof of income, health certificates, and police record.  
How long does it take to receive authorization? Approximately 3 months

### **3. Visas**

- Is a visa valid for travel or stay in the country? Yes, if you aren't Mexican, American or a Commonwealth resident.
- If so, for how long is the visa valid? 1 visit-3 months
- How does the investor apply for a visa? Belizean Embassy
- What documents are required? Return ticket, money to sustain one's self.
- What fees are involved? \$50.00

## **XVII. EXPATRIATE EMPLOYEES**

### **1. Cost of Living and Immigration**

- How does the cost of living compare to that in the investor's country? As with most developing countries, the cost of living in Belize is lower than in developed countries.
- What is the rate of inflation? (See above Section II (A) (2))

### **2. Drivers' Licenses**

- Must the investor obtain a driver's license for that country? Yes, unless he is in possession of an International drivers license.
- How does the investor obtain a driver's license? Application to the Department of Transport.
- What fees are involved? Learner's permit- \$20.00, 1<sup>st</sup> issue of license- \$45.00
- Is an examination, either practical or written, required? General Medical Exam as well as a written and practical exam.

### **3. Education**

- What types of schools are available for the investor's family? Public government and church – operated schools as well as Private schools.
- What fees are involved? These vary depending on level of education or whether the institution is public or private.
- Can the investor or company receive a tax benefit? Limited deduction

### **4. Housing**

- What type of housing is available for the investor? Whatever type he can afford to pay for.
- Can the investor own property? Yes
- Must he investor have housing before he enters the country? No
- Can the investor subsidize housing and receive a tax benefit? No

### **5. Importing Personal Possessions**

- How can the investor import his personal belongings? Yes
- Are import duties Payable? Yes, duties will be lessened if he/she is Belizean resident.
- Are there requirements for clearing the belongings through customs? Yes, retain a broker.

### **6. Medical Care**

- What level of medical care is available? Primary health care is available. Secondary-Limited.
- Is there national health care? The National Health Insurance scheme has recently been implemented and is therefore in its trial stage.

### **7. Moving Costs**

- What costs are involved in moving? By ship- U.S. \$1500.00 per container of goods from U.S. mainland.
- Can the investor receive any tax allowances? No

### **8. Tax Liability**

- What is the expatriate's tax liability? Same as any other Belizean
- What are the allowances? Same as above
- Are there any applicable tax treaties? UK and CARICOM

### **9. Work Contracts**

- Does the investor need a work contract to work in the country? Our law allows for formal and informal contacts.
- If so, does the contract have to be for certain duration, for the performance of a specific job or for a specific position? No
- Does the contract have to be with a national or resident of the country or related state? No

### **10. Work Permits**

- Does the investor need a work permit to work in the country? Yes

- How and where does the investor apply for the permit? Apply to Labor Department in locality for recommendation.
- What documents are required? Person needs to fill out an application form and present his/her passport showing that he/she is legally present in the country. The applicant also needs to show that he/she is qualified for the type of work to be undertaken.
- What fees are involved? Fees:
  - (1) Import /Export trader- \$750.00
  - (2) Self employed Workers in agricultural Industries i.e. owners or managers of farms- \$1000.00
  - (3) Self employed Workers in Industries other than the afore mentioned \$1,200.00.
  - (4) Professional workers (holding degree)- \$1,500.00
  
- How long does it take to receive the permit? 3-4 weeks
- For how long is the permit valid? 1 year